

ARTICLE APPEARED
ON PAGE 34

PHILADELPHIA INQUIRER
21 FEBRUARY 1981

National

An economist disputes CIA assertions on Soviet military spending.

President Reagan has said that Soviet military spending has outpaced U.S. defense spending by \$300 billion since 1970. "This is to a large extent a myth," said Tufts University economist Franklyn D. Holzman. He said the figures used by Reagan are based on Central Intelligence Agency figures, which Holzman said are exaggerated. It is virtually impossible for the CIA to correctly compare Soviet and U.S. spending figures because of the difficulty of comparing rubles and dollars, he said. Furthermore, he said the CIA readily admits this difficulty, although it never alludes to it in its reports. He said that there is a margin of error of 15 percent in the CIA's estimates each year and that it could be higher for individual items.